Creating and Cultivating Diverse Networks, Teams and Boards

Banking and the Economy
A Forum for Women in Banking

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Federal Reserve Bank of Kansas City
The Facts: Multicultural Population Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>+2 RACES*</th>
<th>ASIAN-AMERICAN</th>
<th>AFRICAN-AMERICAN</th>
<th>HISPANIC</th>
<th>NON-HISPANIC WHITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.0%</td>
<td>15.0%</td>
<td>18.2%</td>
<td>53.5%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2030</td>
<td>16.9%</td>
<td>16.6%</td>
<td>18.1%</td>
<td>63.7%</td>
<td>-6.1%</td>
</tr>
<tr>
<td>2040</td>
<td>22.7%</td>
<td>19.2%</td>
<td>19.9%</td>
<td>79.4%</td>
<td>-29.0%</td>
</tr>
<tr>
<td>2050</td>
<td>27.4%</td>
<td>19.5%</td>
<td>21.1%</td>
<td>85.9%</td>
<td>-39.4%</td>
</tr>
</tbody>
</table>

Growth Volume (net, in 000s) 2020: 12,533 2030: 12,064 2040: 10,354 2050: 9,869

Source: U.S. Census Bureau, Population Projections, December 2012
*Includes native American Indian and Native Alaskans (AI/AN) and Native Hawaiian & Pacific Islanders (NHPI)
The Facts: Buying Power

U.S. MULTICULTURAL BUYING POWER

Source: Selig Center for Economic Growth, U.S. Census Bureau
The Facts: Generations

More than 60% of employers say they are experiencing tension between employees from different generations, according to a survey by Lee Hecht Harrison (USA Today)

Source: Nielsen Pop-Facts, CY 2014 aggregate of single year age by race by ethnicity (ASRE) with collapse Race/Ethnicity into “core” diversity cohorts.
The Facts: Diverse Networks, Teams, & Boards

- 477 Fortune 500 companies are run by diverse boards.
- The EEAC states nationally, 30% of minorities and 59% of women work in the Finance and Insurance industry.
- 85% of companies surveyed by Forbes agree diversity is key to driving workplace innovation.
- The Wall Street Journal calculated women account for 28% of the tech-world workforce.
- 23 S&P 500 companies are directed by women.
The Facts: Diversity and Inclusion National Best Practices

- The Right Thing to Do
- The Environment: Safe and Productive
- The Business Case
- The Buying Power
- The Law of the Land
- The Changing Demographics
Why Should We Create and Cultivate?

Diverse Teams
- Eliminate “group think”
- Minimize unconscious bias
- Innovation is derived from diversity and inclusion
- Higher retention, satisfaction, and productivity

Diverse Boards
- Companies with diverse leadership outperform those that don’t
- Directors and management teams should represent a company's customers, employees, and communities

Diverse Networks
- Expanding your network expands opportunity to find qualified candidates for teams and boards
- The New Mainstream is comprised of multicultural individuals. They value diversity.
How to Create and Cultivate

- Start with the Business Case
- Assess Your Organization
- Assess Your Leaders for Readiness for Diversity and Inclusion
- Develop Strong Programs and Services Internally and Externally
- Get Involved in Your Community
- Set Goals – Accountability and Ownership
- Celebrate Wins Along the Way
The Bank: Our Strategies

**People**
- Workforce, Recruitment and Retention
- Boards of Directors and Advisory Councils

**Practices**
- Supplier Diversity

**Partnerships**
- Financial Education and Student Mentoring
The Bank: What We Do

**Diverse Teams**
- Diverse Leadership Team
- Employee Diversity Council
- Mentorship Program
- Communities of Practice

**Diverse Boards**
- Board of Directors and Advisory Councils
- Diversity Strategy Steering Council
- Student Board of Directors

**Diverse Networks**
- Diversity Recruiting – HBCU’s and HSI’s
- Diverse community partnerships/summits
- Procurement opportunities with minority and women-owned businesses
- Financial Education Outreach and Programs
A Fable: Building a House for Diversity & Inclusion
“The call and need of a new era is for greatness. Tapping into the higher reaches of human genius and motivation requires leaders to have a new mind-set, a new skill-set and a new tool-set.”

-Stephen R. Covey

CQ is a new skill needed in today’s workplace.
Cultural Intelligence (CQ)

An outsider’s seemingly natural ability to interpret someone’s unfamiliar and ambiguous gestures the way that person’s compatriots would.
## Enhancing Your CQ: Cultural Intelligence

### 4 Key Areas/3 Sources of CQ

<table>
<thead>
<tr>
<th>CQ Strategy (Head) Thought/Observation</th>
<th>How a person makes sense of experiences—strategize before you move. This is planning to do it, habit of doing, a daily walk, a daily practice.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CQ Knowledge (Head) Thought/Observation</td>
<td>How a person understands how people are similar/different. The knowledge of how culture shapes behaviors, values and beliefs.</td>
</tr>
<tr>
<td>CQ Motivation/Drive (Heart) Belief in Possibility</td>
<td>How a person shows interest in others who are different from them. Motivation to learn/Explore others backgrounds/Want to do it.</td>
</tr>
<tr>
<td>CQ Behavior/Action (Body) Mirroring</td>
<td>How a person shows the capability to adapt (verbally/non-verbally) to others that are different from them. How you behave, think on your feet, adapt to others.</td>
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</table>
Enhancing Your CQ: Cultural Intelligence

CQ Assessment
Do you believe you have high CQ when interacting with others from a different culture?

1. Yes
2. No
CI Gained Through Thought & Observation
Strategy/Knowledge (Head)

- Before I interact with people from a new culture, I ask myself what I hope to achieve.

- If I encounter something unexpected while working in a new culture, I use this experience to figure out new ways to approach other cultures in the future.

- I plan how I’m going to relate to people from a different culture before I meet them.

- When I come into a new cultural situation, I can immediately sense whether something is going well or something is wrong.

  1. Yes
  2. No
CI Gained Through Behavioral Mirroring

Behavior/Action (Body)

- It’s easy for me to change my body language (for example, eye contact or posture) to suit people from a different culture.

- I can alter my facial expression when a cultural encounter requires it.

- I can modify my speech style (for example, accent or tone) to suit people from a different culture.

- I easily change the way I act when a cross-cultural encounter seems to require it.

1. Yes
2. No
CI Gained Through Motivation & Belief in Possibility Motivation/Drive (Heart)

- I have confidence that I can deal well with people from a different culture.
- I am certain that I can befriend people whose cultural backgrounds are different from mine.
- I can adapt to the lifestyle of a different culture with relative ease.
- I am confident that I can deal with a cultural situation that’s unfamiliar.

1. Yes
2. No
Understanding and leveraging the differences with each cultural nuance is key to unlocking everyone’s full potential.